

Notice of Allowability

Application No.

09/901,553

Examiner

Jennifer Liversedge

Applicant(s)

KINNEY ET AL.

Art Unit

3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. ☒ This communication is responsive to 3/16/2007.
2. ☒ The allowed claim(s) is/are 1-9,11-13,15-40,42,43,65 and 66.
3. ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some* c) ☐ None of the:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

* Certified copies not received: _____.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.
THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.

4. ☐ A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
5. ☐ CORRECTED DRAWINGS (as "replacement sheets") must be submitted.
- (a) ☐ including changes required by the Notice of Draftsperson's Patent Drawing Review (PTO-948) attached
- 1) ☐ hereto or 2) ☐ to Paper No./Mail Date _____.
- (b) ☐ including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date _____.
- Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).
6. ☐ DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

Attachment(s)

- | | |
|--|---|
| 1. <input type="checkbox"/> Notice of References Cited (PTO-892) | 5. <input type="checkbox"/> Notice of Informal Patent Application |
| 2. <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 6. <input type="checkbox"/> Interview Summary (PTO-413),
Paper No./Mail Date _____ |
| 3. <input type="checkbox"/> Information Disclosure Statements (PTO/SB/08),
Paper No./Mail Date _____ | 7. <input type="checkbox"/> Examiner's Amendment/Comment |
| 4. <input type="checkbox"/> Examiner's Comment Regarding Requirement for Deposit
of Biological Material | 8. <input checked="" type="checkbox"/> Examiner's Statement of Reasons for Allowance |
| | 9. <input type="checkbox"/> Other _____ |

DETAILED ACTION

Allowable Subject Matter

Claims 1-9, 11-13, 15-40, 42-43 and 65-66 are allowed.

The following is an examiner's statement of reasons for allowance: the prior art fails to teach or suggest the limitations of the independent claims.

Independent claim 1 discloses a method performed by a member securities exchange for processing a non-member transaction on the member securities exchange where all securities transactions must be backed by credit of the member, where a non-member institution transmits a securities transaction from the non-member institution to a credit authorization service of the exchange where the value of the securities transaction is compared with a pre-established threshold, where the identify of the non-member institution is removed or masked and the transaction is backed by credit of the member if below a pre-established threshold or rejected if above the pre-established threshold. Dependent claims 2-9 are allowable as they follow from the allowable independent claim 1.

Independent claim 11 discloses a computer-readable medium having computer executable software code to carry out the method as disclosed in claim 1.

Independent claim 12 discloses a programmed computer operated by a member securities exchange for carrying out the method as disclosed in claim 1.

Independent claim 13 discloses a method performed by a member securities exchange for processing a non-member transaction on the member securities exchange where all securities transactions must be backed by credit of the member, where a non-

member institution transmits a securities transaction from the non-member institution to a credit authorization service of the exchange where the value of the securities transaction is compared with a pre-established threshold, where the identify of the non-member institution is removed or masked and the transaction is backed by credit of the member if below a pre-established threshold or rejected if above the pre-established threshold. Dependent claims 15-40 are allowable as they follow from the allowable independent claim 13.

Independent claim 42 discloses a computer-readable medium having computer executable software code to carry out the method as disclosed in claim 13.

Independent claim 43 discloses a programmed computer operated by a member securities exchange for carrying out the method as disclosed in claim 13.

Independent claim 65 discloses a method performed by a member securities exchange for processing a securities transaction on the member exchange where all securities transactions must be backed by credit of the member, where a securities transaction is transmitted from a non-member institution to a credit authorization service of the member exchange, wherein the transaction includes a mnemonic for an exchange member and an identity of the non-member institution and the credit authorization service acts as a surrogate for multiple exchange members, wherein the identity of the non-member institution from the transaction is removed and the transaction is exposed to the member exchange backed by credit of the member. Dependent claim 66 is allowable as it follows from the allowable independent claim 65.

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The primary difference between the claimed invention and the prior art is a transaction performed on a member securities exchange in which non-member transactions are received directly by the member securities exchange, being passed through a credit authorization service of the exchange, and then the transactions backed by credit of the member.

While the prior art discloses processing of non-member transactions on a member exchange (Harris et al. Pub. No. US 2002/0032635 A1), the transaction still must first be presented to a member of the exchange, the non-member can not present the transaction directly to a securities exchange. Harris does not disclose a transaction performed on a member securities exchange in which non-member transactions are received directly by the member securities exchange, being passed through a credit authorization service of the exchange, and then the transactions backed by credit of the member.

Further, anonymous trading is disclosed using an electronic brokerage system for trading (Togher et al. Patent No. 6,014,627). However, Togher uses intermediaries for transmitting transactions, such that transactions are presented to the market by someone other than the non-member. Togher does not disclose a transaction performed on a member securities exchange in which non-member transactions are received directly by the member securities exchange, being passed through a credit authorization service of the exchange, and then the transactions backed by credit of the member.

In "A trading strategy for beating the spread", published in Money in 1998, written by Jim Frederick, an electronic online trading system is disclosed to facilitate trading. However, the system discloses the use of brokers for presenting the transactions, in this case operating in the online forum. Frederick does not disclose a transaction performed on a member securities exchange in which non-member transactions are received directly by the member securities exchange, being passed through a credit authorization service of the exchange, and then the transactions backed by credit of the member.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Conclusion

Any inquiry concerning this communication should be directed to Jennifer Liversedge whose telephone number is 571-272-3167. The examiner can normally be reached on Monday – Friday, 8:30 – 5 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard Chilcot can be reached at 571-272-6777. The fax number for the organization where the application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR.

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Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Jennifer Liversedge

Examiner

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RICHARD E. CHILCOT, JR.
SUPERVISORY PATENT EXAMINER